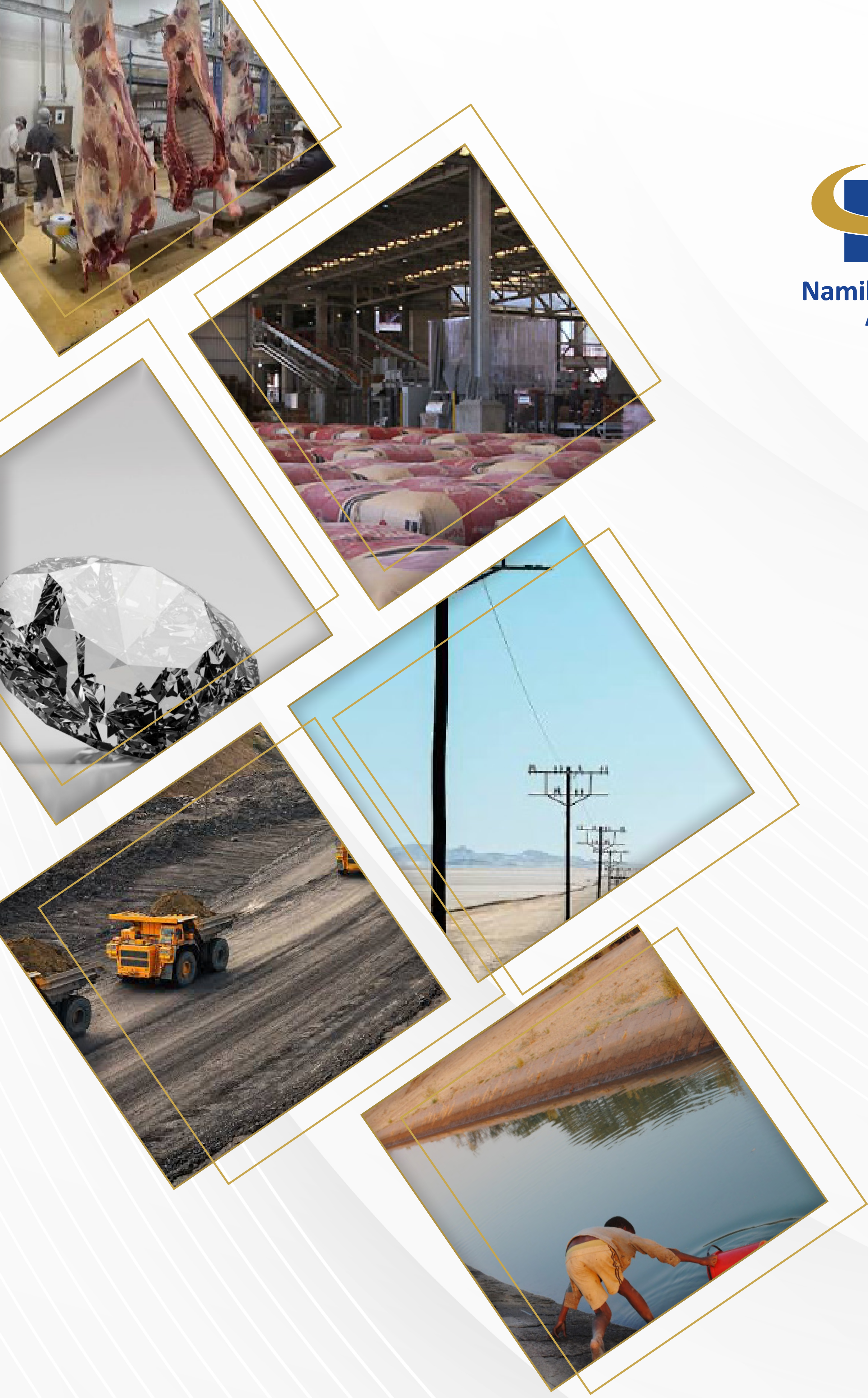

Namibia Statistics Agency

NAMIBIA PRODUCER PRICE INDEX BULLETIN

SECOND QUARTER 2026

Mission Statement

"Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose"

Vision Statement

"To be a high performing and sustainable institution in quality statistics and spatial data delivery for research, planning and decision-making"

Core Values

Integrity
Excellent Performance
Professionalism
Accountability
Partnerships
Customer-focused

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PREFACE

This report presents a comprehensive analysis of the Namibia Producer Price Index (NPPI) for the second quarter of 2026 (April-June), providing detailed price trends in various industries of the Namibian economy. The NPPI serves as a key indicator of price movements at the wholesale level, reflecting the prices producers receive for goods and services produced in the domestic economy. By tracking these price changes, the NPPI offers valuable insights into the state of the economy and inflationary pressures across different industries. In this report, the overall performance of the NPPI for Q2 of 2026 is explored, with industry and sub-industry specific trends for: **Mining and Quarrying; Manufacturing; Electricity Generation, Transmission and Distribution; and Water Collection, Treatment and Supply**. Each section outlines both quarterly and annual changes in prices, providing additional insights into the underlying dynamics and the factors driving these shifts. Key developments include the upward pressure on prices in the mining and quarrying industry experienced on a quarterly and annual basis, and the annual decline experienced in the electricity generation, transmission and distribution sub-industry. The Namibia Statistics Agency (NSA) has implemented a Python-based system for the production of indices, resulting in revisions to index estimates from 2015 through the first quarter (Q1) of 2026. The observed differences are primarily due to changes in the methodology used to impute missing prices, with the revised approach applied retrospectively to 2015. Under the new Python-based system, missing prices are imputed using a weighted average method, replacing the class mean method previously used in the MS Excel-based system. This methodological enhancement is considered an improvement, as the weighted average approach produces imputed values that more accurately reflect actual price movements, thereby enhancing the quality, accuracy, and reliability of the indices.

Additionally, the report includes technical notes outlining the definitions, scope, methodology, and classification system used to compile the NPPI. These notes provide clarity on data collection and processing, including any adjustments made to ensure the accuracy and relevance of the index. This analysis is intended to serve as a valuable resource for policymakers, industry stakeholders, and analysts seeking a deeper understanding of price trends within the Namibian economy. By reviewing the NPPI data and trends, readers can gain insights into economic performance and make informed decisions regarding business strategies, pricing, and investment. It is the intention of the Namibia Statistics Agency (NSA) to expand this publication by including more industries as the data become available. In line with the foregoing, I would like to extend my gratitude and appreciation to all stakeholders who assisted in the production of this bulletin by providing data to the NSA. In the same vein, I would like to urge our users of statistical information to send to us any comments that may enhance the quality of this report to info@nsa.org.na

Alex Shimuafeni
Statistician-General & CEO

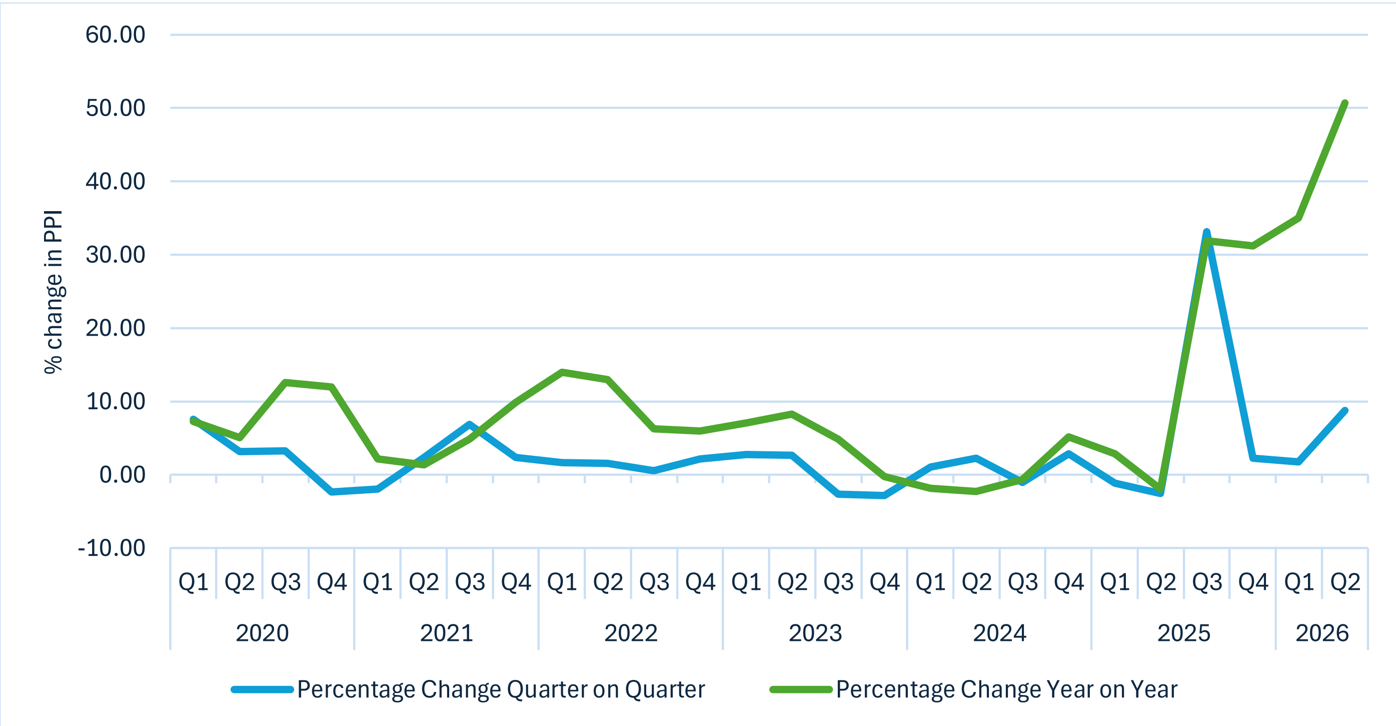
SECTION 1: NPPI ANALYSIS FOR Q2 2026

1.1 Overall Producer Price Index (NPPI) Trend

Chart 1 shows the percentage change in the overall Producer Price Index (PPI) from Q2-2020 to Q2-2026. Over this period, the PPI experienced relatively stable growth from 2020 through 2024, with minor fluctuations observed in quarterly and annual price changes. However, a pronounced price shock emerged in the third quarter of 2025, leading to a sharp escalation in both quarterly and annual producer-price inflation. During the second quarter of 2026, the index rose by 8.8 percent on a quarterly basis whereas on annual basis the index surged by 50.7 percent, indicating significantly heightened cost pressures at the producer level.

The quarterly increase was mainly driven by a surge in mining and quarrying (20.0%) followed by manufacturing (1.1%), as indicated in table 1. Similarly, the annual increase was influenced by mining and quarrying, and manufacturing with increments of 79.8 percent and 23.5 percent, respectively. Such sustained increases in producer prices may eventually be transmitted to consumer prices, depending on the ability of producers to pass these higher costs on to final consumers.

Chart 1: Percentage change in Overall NPPI (Q1 2020 – Q2 2026)

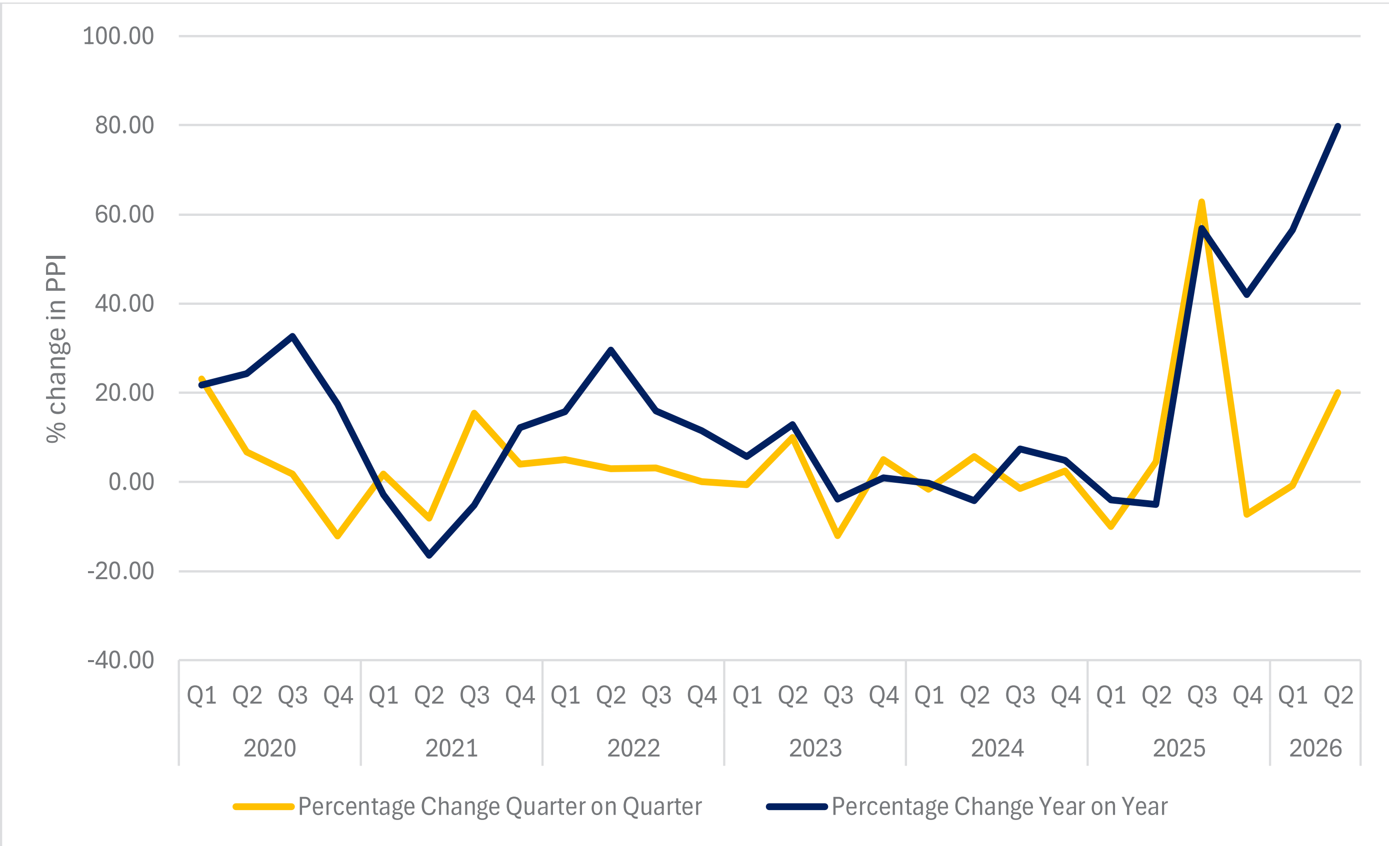


1.2 Mining and Quarrying

The Mining and Quarrying index recorded a strong increase of 20.0 percent quarter-on-quarter in the second quarter of 2026, while annual growth reached 79.8 percent (Chart 2). The quarterly expansion was largely driven by higher producer prices for uranium (46.8%) and diamonds (14.3%). These were the main contributors to the overall increase in the index.

The substantial annual growth was attributable to price increases across several key mining products. As shown in Table 1, the largest contributions came from uranium (43.5%), gold (20.8%), and diamonds (17.1%). The broad-based growth across these commodities reflects sustained upward price pressures within the mining and quarrying sector, resulting in a significant increase in producer prices compared to the corresponding quarter of 2025.

Chart 2: Percentage change in Mining and Quarrying NPPI (Q1 2020 – Q2 2026)

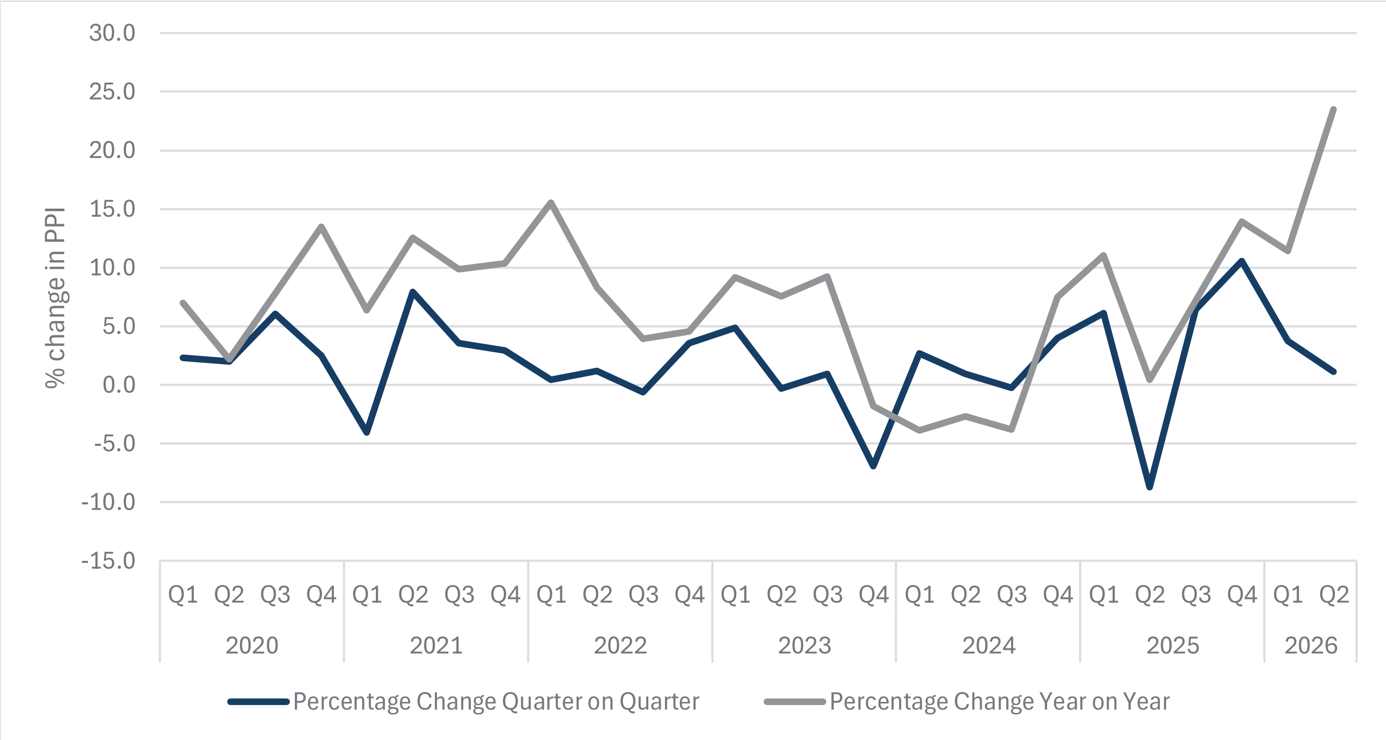


1.3 Manufacturing

During the second quarter of 2026, the Producer Price Index for the manufacturing sector increased by 1.1 percent quarter-on-quarter (Chart 3). The quarterly increase was primarily driven by higher prices recorded by rubber and plastic products (12.4%), dairy products (4.9%), grain mill products (4.7%), and fish processing (3.8%) as indicated in (Table 1).

On an annual basis, the index rose by 23.5 percent, indicating sustained producer price inflation within the manufacturing industry (Chart 3). The annual increase was on the back of substantial price gains in rubber and plastic products (74.9%), diamond cutting and processing (31.2%), meat processing (22.5%), other non-metallic mineral products (17.9%), and manufacture of other food products (16.8%) as indicated in (Table 1). The strong growth observed in these subsectors underscores the broad-based nature of producer price increases across the manufacturing industry over the past year.

Chart 3: Percentage change in Manufacturing NPPI (Q1 2020 – Q2 2026)

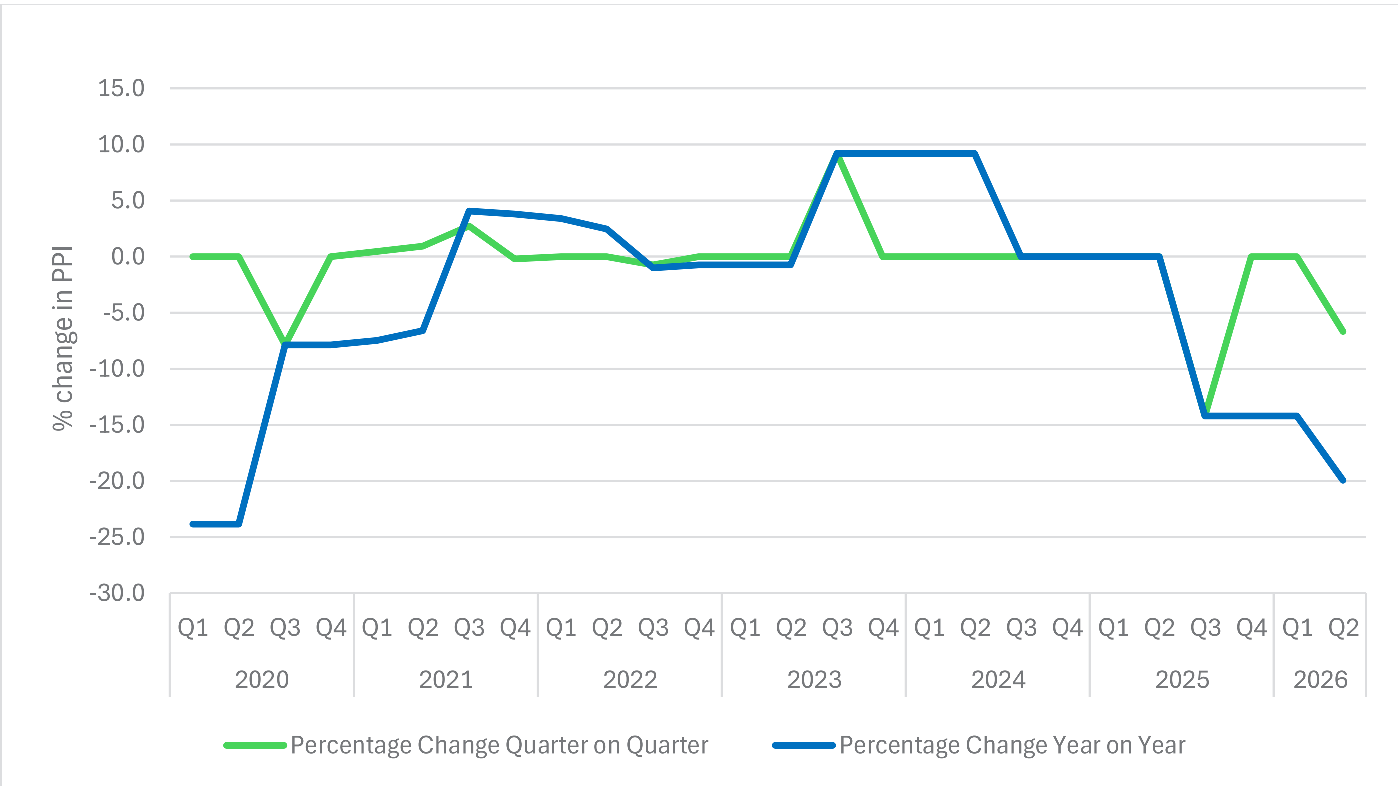


1.4 Electricity Generation, Transmission and Distribution

The index for Electricity Generation, Transmission and Distribution recorded declines on both a quarterly and annual basis during the second quarter of 2026. Specifically, the index decreased by 6.7 percent quarter-on-quarter and 19.9 percent year-on-year, reflecting lower producer prices relative to both the preceding quarter and the corresponding quarter of 2025 (Chart 4).

The index stood at 80.1 basis points during the quarter under review, down from 85.8 basis points recorded in the first quarter of 2026 and 100.0 basis points registered in the second quarter of 2025 (Table 1). The sustained decline in the index indicates a continued easing of prices within the electricity generation, transmission and distribution sector over both the short and longer term.

Chart 4: Percentage change in Electricity generation, transmission and distribution NPPI (Q1 2020 -Q2 2026)

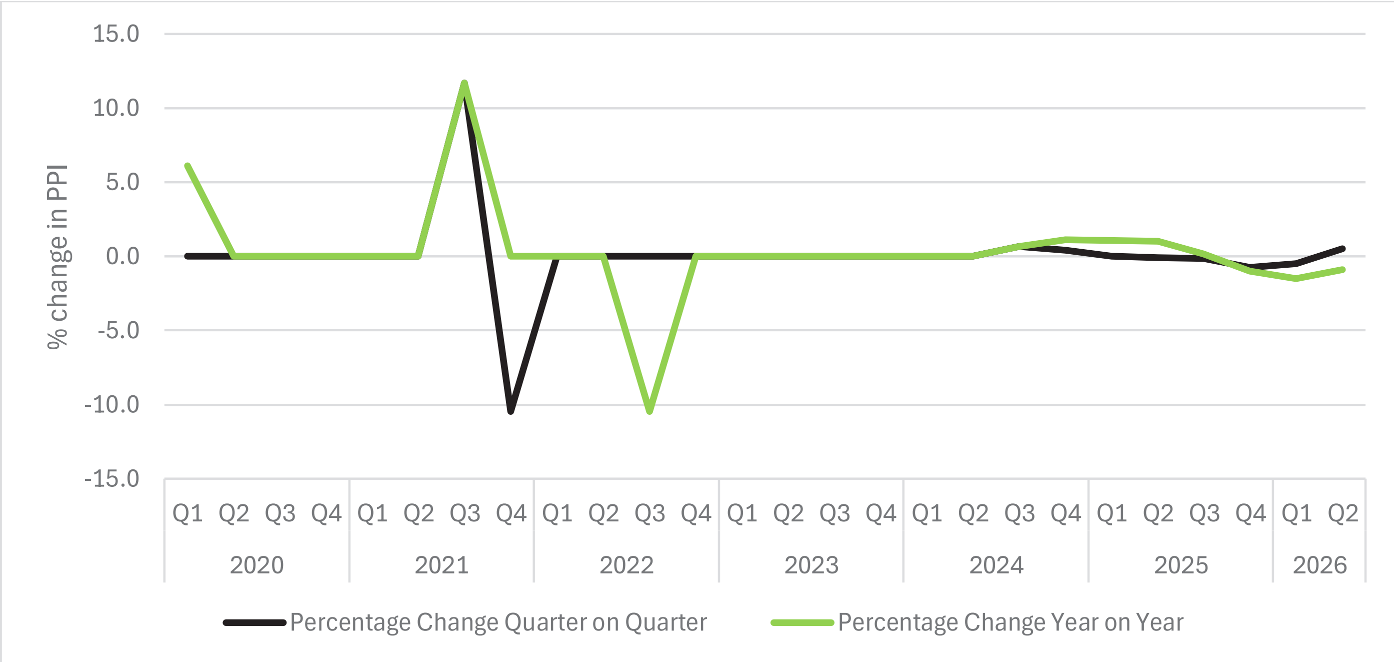


1.5 Water Collection, Treatment and Supply

The index for the Water Collection, Treatment and Supply industry recorded a quarter-on-quarter increase of 0.5 percent during the second quarter of 2026, while registering a year-on-year decline of 0.9 percent, as illustrated in Chart 5. The contrasting movements indicate a modest recovery in producer prices during the quarter, although price levels remained slightly below those observed in the corresponding quarter of 2025.

Overall, the index stood at 100.1 basis points in the quarter under review, up from 99.6 basis points recorded in the previous quarter. However, the index remained lower than the 101.0 basis points registered in the second quarter of 2025 (Table 1), resulting in the observed annual contraction.

Chart 5: Percentage change in Water Collection, Treatment and Supply NPPI (Q1 2020 – Q2 2026)



SECTION 2: TECHNICAL NOTES

2.1 Definition

The Namibia Producer Price Index (NPPI) measures the average changes in the prices of goods and services received by domestic producers for the output sold on both the domestic and export markets. The NPPIs produced by NSA are based on output indices. The concepts and definitions of the NPPI largely follow the guidelines provided in the "IMF Producer Price Index Manual Theory and Practice".

2.2 Scope of PPI

The NPPI covers establishments falling under the following of the International Standard Industrial Classification (ISIC) Rev.4:

a) **Mining and quarrying:** Cover class indices for Mining of uranium, non-ferrous metals (copper, gold, lead and zinc), Extraction of salt as well as other mining and quarrying not elsewhere classified (diamonds).

b) **Manufacturing:**Encompasses class indices for processing and preserving of meat; Fish processing onshore; Manufacture of dairy products; Manufacture of grain mill products; Manufacture of other food; Manufacture of alcohol beverages; Manufacture of Non-alcoholic beverages; Manufacture of rubber and plastic products and Manufacture of other non-metallic mineral products; Diamond cutting and polishing.

c) **Electricity generation, transmission and distribution:** Cover index for Electric power generation, transmission and distribution

d) **Water collection, treatment and supply activities:** Water collection, treatment and supply are covered under this category.

2.3 PPI data sources and weights

The weights for NPPI were derived from National Accounts data for 2022, whereas the turnovers, products and prices for compilation of NPPI were sourced from a selection of establishments within the above-mentioned industries.

2.4 Selection of establishments (producers)

Prices collected for the compilation and production of the NPPI are the basic prices received by the producers for the sale of the products on the local market as well as at international markets (exports). These prices exclude all taxes on products such as excise duty, Value Added Tax (VAT) as well as insurance and transport costs. Prices are requested from establishments quarterly through a self-administered questionnaire, which should be submitted to the NSA not later than the 15th day after the reference period.

2.5 Weights and reference periods

Weights are essential components in the construction of NPPI, helping to determine the impact of price changes on the overall index. They represent the relative importance of each item in the basket based on its revenue value. Weights are typically expressed as percentages, with the total sum of all weights equaling 100. In addition to the weights reference period, the NPPI uses two other reference periods: the price reference period, which serves as the basis for measuring price changes (set to June 2024) and the index reference period, which sets the index value to 100. Similarly, the index reference period is also set to June 2024 = 100.

2.6 Index calculation

The NPPI is calculated using a short-term Laspeyres type formula. The Laspeyres index compares the base period revenue for a set of goods to the current period revenue for the same set of goods. The major advantage of using modified Laspeyres is that it allows for substitution in elementary indices. Prices of March 2024 serve as the basis for price comparisons.

The formula used is given below

$$I_c = \frac{\sum W_i * (\frac{P_{ci}}{P_{oi}0})}{\sum W_i} * 100$$

Where:
Ic = Index for current month
Wi = Weight associated with product i
Pci = Price of product i for the current month
Poi = Price for product i for the base period

Higher-level indices are calculated as weighted arithmetic averages of the item indices. The indices are weighed separately and at this stage, they are combined to produce an aggregate NPPI for all industries in the Production sector.

2.7 Index generation

The NPPI is compiled using the python-based system implemented by NSA in the quarter under review. There are files for each respondent where the information provided is validated and checked for errors, missing values, and extreme changes in prices. Missing values prompt the Agency to re-contact the respondent with a view to obtaining the missing prices. If a price for an item is unavailable, then it will be imputed using the average movement in prices for other items within the same establishment, industry class or higher-level aggregate as necessary. Missing prices are allowed to be imputed for three periods only before a replacement item should be sought. Replacement items are introduced to the index after two consecutive price observations.

2.8 Imputation of missing prices

The differences between the indices previously published and the current indices are attributable to changes in the methodology used to impute missing prices. The implementation of the new methodology of imputation is backdated to 2015 indices.

Under the new methodology, missing prices are imputed using a weighted average of observed price relatives within the relevant product group. This approach assigns greater influence on items with larger weights, thereby producing estimates that are more accurately reflected within the corresponding sub-industry or industry. As a result, the imputed values are more representative of actual price movements and improve the overall quality of the index.

While the previous method for imputing missing prices used the class mean approach, regardless of item weight, which did not provide a more accurate reflection of the sub-industry or industry.

If there is a tangible quality difference between the two products this is corrected to ensure that the difference in quality does not enter as a price effect.

Table 1:Namibia Producer Price Indices by Industry (June 2024=100)

Division/Industry	2024-Q1	2024-Q2	2024-Q3	2024-Q4	2025-Q1	2025-Q2	2025-Q3	2025-Q4	2026-Q1	2026-Q2	QoQ	YoY
Production (B+C+D+E)	**100.6**	**102.8**	**101.8**	**104.6**	**103.5**	**100.8**	**134.2**	**137.2**	**139.7**	**151.9**	**8.8**	**50.7**
Mining and quarrying	**96.1**	**101.5**	**100.0**	**102.4**	**92.2**	**96.3**	**156.8**	**145.5**	**144.2**	**173.1**	**20.0**	**79.8**
Uranium	91.6	102.1	100.9	103.8	83.6	90.8	101.2	94.0	88.7	130.3	46.8	43.5
Zinc	0.0	33.3	109.8	113.3	110.0	106.3	116.7	108.2	121.8	112.5	-7.7	5.8
Gold	0.0	33.3	109.7	118.8	128.8	149.0	150.4	176.0	193.9	179.9	-7.2	20.8
Diamonds	0.0	33.3	95.7	92.7	82.7	78.0	136.0	88.3	79.9	91.3	14.3	17.1
Salt	0.0	33.3	83.8	119.4	82.8	106.8	124.6	169.4	109.4	68.8	-37.1	-35.6
Manufacturing	**103.1**	**104.1**	**103.8**	**108.0**	**114.5**	**104.5**	**111.3**	**123.0**	**127.7**	**129.1**	**1.1**	**23.5**
Meat processing	97.2	108.0	105.4	111.3	109.1	113.4	119.9	136.6	137.9	138.9	0.7	22.5
Fish processing on shore	0.0	33.3	113.1	119.4	123.7	133.8	128.2	128.3	128.4	133.2	3.8	-0.4
Manufacture of dairy products	0.0	33.3	140.0	140.2	141.0	142.0	141.8	141.6	138.6	145.4	4.9	2.4
Manufacture of grain mill products	0.0	33.3	107.7	108.4	114.7	115.4	111.8	112.4	116.6	122.0	4.7	5.8
Manufacture of other food products	0.0	33.3	99.6	105.8	98.3	100.0	123.5	114.0	115.2	116.9	1.5	16.8
Manufacture of alcoholic beverages	99.3	100.0	101.0	102.2	101.3	101.3	101.6	101.6	102.0	101.8	-0.1	0.5
Manufacture of Non-alcoholic beverages	100	100.0	104.8	104.8	104.8	104.8	108.3	110.1	110.1	110.8	0.6	5.7
Manufacture of rubber and plastic products	0.0	33.3	127.8	126.4	124.7	126.3	146.2	193.9	196.5	220.9	12.4	74.9
Manufacture of other non-metallic mineral products	100.9	95.5	82.1	92.2	113.2	79.6	76.8	86.1	114.0	93.8	-17.7	17.9
Diamond cutting and polishing	120.5	102.7	99.9	104.3	126.4	79.5	99.6	123.6	109.9	104.3	-5.1	31.2
Electricity, gas, steam and air conditioning supply	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**85.8**	**85.8**	**85.8**	**80.1**	**-6.7**	**-19.9**
Electricity, gas, steam and air conditioning supply	100.0	100.0	100.0	100.0	100.0	100.0	85.8	85.8	85.8	80.1	-6.7	-19.9
Water collection, treatment and supply	**100.0**	**100.0**	**100.7**	**101.1**	**101.1**	**101.0**	**100.8**	**100.1**	**99.6**	**100.1**	**0.5**	**-0.9**
Water collection, treatment and supply	100.0	100.0	100.7	101.1	101.1	101.0	100.8	100.1	99.6	100.1	0.5	-0.9

Namibia Statistics Agency

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